# Message Text

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**ACTION EUR-12** 

INFO OCT-01 ISO-00 CIAE-00 PM-03 INR-05 L-01 ACDA-05

NSAE-00 PA-01 RSC-01 PRS-01 SP-02 USIA-06 TRSE-00

SAJ-01 SS-15 NSC-05 /059 W

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P R 291835Z OCT 74
FM USMISSION NATO
TO SECSTATE WASHDC PRIORITY 8468
SECDEF WASHDC PRIORITY
INFO USNMR SHAPE
USCINCEUR
USLOSACLANT
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SECRETSECTION 1 OF 4 USNATO 6014

E.O. 11652: GDS

TAGS: MPOL, PFOR, NATO, US

SUBJECT: US MULTILATERAL DPQ EXAMINATION

REF: A. DEFENSE PLANNING REVIEW 1974, FPD(74)72 B. DRC/WP(74)5

1. IN PREPARATION FOR THE MULTILATERAL EXAMINATION OF US FORCE PLANS TO BE HELD NOVEMBER 4, 1974, THE INTERNATIONAL STAFF DISTRIBUTED SECOND DRAFT OF 1974 CHAPTER ON US FORCE PLANS (REF A) WHICH INCORPORATES ADDITIONAL INFORMATION RECEIVED DURING TRILATERAL DISCUSSIONS OF REF B.

2. SIGNIFICANT CHANGES TO REF B ARE AS FOLLOWS: BEGIN TEXT:

A. CHANGE PARA 11 TO READ:

THE AVERAGE MANPOWER OF THE UNITED STATES FORCES IS ESTIMATED AT 2,218,000 FOR FISCAL YEAR (FY) 1973-1974, WHICH REPRESENTS A DECREASE OF 106,000 MEN OVER FY 1972-1973. FOR SECRET

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THESE TOTALS, ABOUT 12,000 ARE ACADEMY CADETS, MIDSHIPMEN AND AVIATION CADETS. THE ARMY, MARINE CORPS AND AIRFORCE ARE COMPLETELY MANNED BY REGULARS. THE NAVY IS MANNED BY 90 PCT OF REGULARS.

#### B. CHANGE PARA 27 TO READ:

THE UNITED STATES PLANS FULL IMPLEMENTATION OF FOURTEEN OUT OF 21 PRIORITY I FORCE GOALS. PRIORITY I FORCE GOALS NOT FULLY MET INCLUDE THE PROVISION OF ELECTRONIC WARFARE (EW) UNITS FOR NATO AT SIMPLE ALERT OR STATES ORANGE OR SCARLET; COMPLETION OF THE MODIFICATION OF THE 155 MM HOWITZER M-109 AND THE PROVISION OF AN INCREASED RANGE AMMUNITION BY 1975; COMPLETION BY 1977 OF THE MODIFICATION OF THE M-110 8 INCH HOWITZERS AS WELL AS THE PROVISION OF INCREASED RANGE AMMUNITION AND THE CONVERSION OF 175 MM SP GUNS TO IMPROVED 8 INCH SP HOWITZERS: CONPLETION OF BILATERAL AGREEMENTS FOR TRAINING OF ADM TEAMS OF OTHER NATO NATIONS AND IMPROVEMENT OF THE LOW ALTITUDE ALL-WEATHER ANTI-AIRCRAFT DEFENCE OF SURFACE-TO-AIR MISSILE (SAM) BATTERIES BEFORE 1981. TWO PRIORITY I GOALS HAVE BEEN REJECTED; THEY CONCERN THE PROVISION OF LOW ALTITUDE SAM BATTERIES FOR FIVE AIR BASES AND ONE DEPOT COMPLEX; AND THE ASSIGNMENT OF COMBAT FORCES LOCATED IN CONTINENTAL EUROPE TO SACEUR AT SIMPLE ALERT. THE REMAINING PRIORITY I GOAL WHICH WILL NOT BE FULLY MET CONCERNS A REVIEW OF REINFORCEMENT AND MOVEMENT PLANS OF FORCES COMMITTED TO THE SOUTHERN REGION. MOREOVER THE FORCE GOALS TO UPGRADE THE FOLLOWING UNITS WILL NOT BE MET: ONE ARMOURED BRIGADE FROM CATEGORY B-5 TO CATEGORY B-4, TWO ARMOURED DIVISIONS FROM CATEGORY A-5 AND CATEGORY B-5 RESPECTIVELY TO CATEGORY A-4, ONE MECHANISED DIVISION FROM CATEGORY A-5 TO CATEGORY A-4, ONE INFANTRY BRIGADE FOR SACLANT FROM CATEGORY C-5 TO CATEGORY A-4, TWO 8 INCH HOWITZER BATTALIONS FROM CATEGORY A-5 TO CATEGORY A-4, AND ONE 8 INCH HOWITZER BATTALION FROM CATEGORY C-5 TO CATEGORY B-5.

### C. CHANGE PARA 41 TO READ:

AT PRESENT SIX AIRCRAFT CARRIERS ARE EARMARKED TO SACLANT, TWO OF WHICH ARE IN CATEGORY A-1, AND FOUR EARMARKED TO SACEUR, TWO OF WHICH ARE ALSO IN SECRET

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CATEGORY A-1. THE PHASING OUT OF FOUR OLD CARRIERS FROM THE TOTAL ACTIVE FLEET, WITH ONLY ONE REPLACEMENT, HAD REDUCED THE OVERALL TOTAL OF 15 CARRIERS TO 12. IN TURN THIS HAS, IN THE CONTEXT OF GLOBAL EMPLOYMENT, MADE IT NECESSARY TO REDUCE THE A-1 COMMITMENT OF THESE SHIPS TO BOTH COMMANDERS FROM TWO TO ONE, THEREBY CAUSING A SHORTFALL COMPARED WITH THE FORCE GOAL WHICH REQUESTED THE MAINTENANCE OF THE STATUS QUO. HOWEVER, IT IS NOW ANTICIPATED THAT IT WILL BE POSSIBLE TO IMPROVE ON THIS SITUATION BY PROVIDING A SECOND CARRIER IN THE MEDITERRANEAN IN CATEGORY A-1 FOR ABOUT 9 MONTHS OF THE YEAR AND ANOTHER IN THE ATLANTIC FOR ABOUT SIX MONTHS OF THE YEAR. MOREOVER BY 1979 THE FORCE OF 12 CARRIERS

WILL INCLUDE THREE NUCLEAR POWERED SHIPS AND A CAPABILITY ENHANCED BY THE INTRODUCTION OF NEW AIRCRAFT AND NEW WEAPON SYSTEMS TOGETHER WITH THE DUAL CAPABILITY OF THE CARRIERS FOR BOTH ATTACK AND ANTI SUMBARINE (ASW) MISSIONS. HOWEVER, IT IS NOTED THAT THE CONVERSION PROGRAMME TO THE DUAL CONCEPT WILL NOW BE COMPLETED IN 1977, ONE YEAR LATER THAN ANNOUNCED LAST YEAR.

### D. CHANGE PARA 42 TO READ:

PROBLEMS CONCERNED WITH THE VULNERABILITY
FO THE SEA CONTROL SHIPS HAVE LED TO THE PROGRAMME
WHICH ORIGINALLY WAS TO CONSTRUCT EIGHT SHIPS BEING
DEFERRED AND ALTERNATIVES ARE NOW BEING CONSIDERED. THE
FORCE GOAL WAS TO CONSTRUCT FIVE SEA CONTROL SHIPS OF
WHICH LEAST THREE SHOULD BE EARMARKED TO SACLANT
BEFORE 1980. RELATED TO THE SEA CONTROL SHIP PROGRAMME
WAS THE DEVELOPMENT OF THE V/STOL AIRCRAFT IN ITS
MARITIME APPLICATION WHICH WAS ALSO A FORCE GOAL.
CONSEQUENT UPON THE DEFERMENT OF THE SEA CONTROL SHIP
PROGRAMME THE RESEARCH AND EEVELOPMENT OF THE V/STOL
AIRCRAFT HAS NOW BEEN ACCORDED A LOWER PRIORITY.

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SAJ-01 SS-15 NSC-05 /059 W

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SECDEF WASHDC PRIORITY
INFO USNMR SHAPE
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E. CHANGE PARA 43 TO READ:

THE NUMBER OF DESTROYER TYPE SHIPS EARMARKED TO NATO WILL INCREASE FROM 114 IN 1974 TO 127 IN 1978, REDUCING TO 120 IN 1979. THOSE NUMBERS ARE LESS THAN FORECAST LAST YEAR UP TO 1978 BY FROM TWO TO SIX SHIPS. THE NUMBER OF CRUISERS AND DESTROYER LEADERS WILL

REMAIN CONSTANT AT 27, AND SAME AS FORECAST LAST YEAR.
THE FORCE GOALS FOR SACEUR FOR CRUISERS AND
DESTROYER TYPE SHIPS INCLUDING THOSE WITH GUIDED MISSILES
WILL BE MET. THE GOAL FOR GUIDED MISSILE DESTROYERS FOR
SACLANT WILL ALSO BE MET BUT THE GOAL FOR GENERAL
PURPOSE DESTROYERS WILL NOT. NEW DESTROYER TYPE SHIPS
ENTERING SERVICE DURING THE PERIOD INCLUDE FIVE NUCLEAR POWERED
GUIDED MISSILE DESTROYER LEADERS (DLGN) (10,000 TONS),
30 SPRUNACE CLASS ASW DESTROYERS (?,000 TONS) AND A NUMBER
FO THE NEW PARTOL FRIGATES (3,500 TONS). THERE IS A 50 SHIP
PROGRAMME FOR THIS LATTER TYPE SHIP WHICH HAS BEEN PARTIALLY
FUNDED. THESE SHIPS WILL PROVIDE AN IMPORTANT AND NECESSARY
ADDITION TO SACLANT'S FORCE POSTURE. IN SPITE OF THE INTRODUCTION
FO THE FIVE DLGN'S AS REPLACEMENT FOR THE CRUISERS, THERE
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WILL BE SERIOUS GAP IN MAJOR CALIBRE GUN SUPPORT CAPABILITY WHICH WAS LOST WITH THE PLASING OUT OF THE CRUISERS. THIS DEFICIENCY WILL NOT BE CORRECTED UNTIL THE INTRODUCTION OF THE NEW LIGHT WEIGHT MAJOR CALIBRE GUN WHICH IS UNDER DEVELOPMENT AND WHICH IS NOT EXPECTED TO BECOME OPERATIONAL UNTIL 1981.

### F. CHANGE PARA 54 TO READ:

OF THE 38 FORCE GOALS FOR THE NAVY, WE WILL BE MET IN FULL, FIVE IN PART, FOUR WILL NOT BE IMPLEMENTED, AND SIX ARE UNDER CONSTRUCTION.

## G. CHANGE PARA 67 TO READ:

WITHIN A PROJECT TO RESTRUCTURE ACTIVE FORCES,
THE UNITED STATES AUTHORITIES ENVISAGE MOVING TWO
CATEGORY A-1 RECONNAISSANCE SQUADRONS CURRENTLY BASED
IN EUROPE TO A LESSER AVAILABILITY STATUS (A-3) IN THE
UNITED STATES; IN THEIR PLACE TWO ATTACK SQUADRONS
MIGHT BE MADE AVAILABLE IN CATEGORY A-1. ANOTHER
POSSIBILITY WOULD BE TEMPORARY DEPLOYMENT RATHER
THAN PERMANENT BASING. A FINAL DECISION HAS NOT YET
BEEN TAKEN.

### H. CHANGE PARA 71 TO READ:

WITH RESPECT TO THE RAPID REACTION FORCE IT IS NOTED THAT THE 1978 TWO STRIKE/ATTACK SQUADRONS, E.E. ONE OF F-4 AND ONE OF F-111 AIRCRAFT HAVE BEEN TRANSFERRED TO THE "OTHER FORCES"CATEGORY. THENEW A-10 COLOSE SUPPORT SQUADRON AND AN F-15 AIR DEFENCE SQUADRON MENTIONED ABOVE (PARAGRAPHS 70 AND 71) HAVE BEEN INTRODUCED. IN THEIR PLACE. THE UNITED STATES AUTHORITIES EMPHASIS THAT THIS IS NOT A REFLECTION IN CHANGE OF THE NUCLEAR POLICY BUT RATHER IT IS

INTENDED TO PROVIDE THE NEWEST FIRST LINE AIRCRAFT IN THE FORCE.

I. CHANGE PARA 72 TO READ:

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ALSO IN RESPONSE TO PRIORITY I FORCE GOALS,
SEVEN TACTICAL FIGHTER SQUADRONS AND ONE RECONNAISSANCE
SQUADRON HAVE BEEN EARMARKED FOR SACEUR'S STAATEGIC
RESERVE FOR DEPLOYMENT TO EUROPE BY M15.
OF THE 29 AIR FORCE GOALS 28 WILL BE
MET FULL AND ONE WILL NOT BE IMPLEMENTED.

### J. CHANGE PARA 81 TO READ:

GENERAL AGREEMENTS ON THE COLLOCATED OPERATING
BASES (COB) CONCEPT HAVE BEEN CONCLUDID WITH SEVERAL
COUNTRIES. A MEMORANDUM OF UNDERSTANDING, REFARDING
BASING ARRANGEMENTS FOR USAF SQUADRON, HAS BEEN SIGNED
WITH FOUR COUNTRIES. IN THIS RESPECT NEGOTIATIONS ARE
STILL UNDER WAY WITH THE COUNTRIES IN THE SOUTHERN
REGION. TECHNICAL ARRANGENENTS FOR SPECIFIC BASES,
REQUIRED IN ORDER THAT SHELTERING AND STOCKING OF WAY
RESERVE MATERIAL CAN BE COMPLETED, HAVE BEEN REACHED
WITH ONE COUNTRY AND ARE NEARING COMPLETION WITH ONE OTHER.

# K. ADD SECTION VI. MILITARY ASSESSMENT BY THE MAJOR NATO COMMANDERS

SACEUR HAS SUBMITTED THE FOLLOWING ASSESSMENT OF THE SUITABILITY OF THE UNITED STATES' NATIONAL PLANS.

### **GENERAL**

(A) THE UNITED STATES CONTINUES TO MAKE A MAJOR CONTRIBUTION TO DETERRENCE AND DEFENCE OF THE ALLIANCE BY THE PROVISION OF READY WELL EQUIPPED AND WELL BALANCED FORCES. ITS FORCE PLANS FOR THE PERIOD 1975-1980 IF ADEQUATELY FINANCED AND FULLY IMPLEMENTED, WILL PROVIDE A DOLID PROGRAMME OF MAINLY QUALITATIVE IMPROVEMENTS WHICH WILL CONSIDERABLY ENHANCE THE OVERALL COMBAT EFFECTIVENESS OF THE UNITED STATES FORCES.

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TO SECSTATE WASHDC PRIORITY 8470
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### LAND FORCES

- (B) THE UNITED STATES HAS GENERALLY MET HER LAND COMMITMENT FOR 1974. THE UNITED STATES FORCE PLANS FOR THE GROUND FORCES PLACE GREAT EMPHASIS ON IMPROVING ALL FACETS OF THE ARMY ANTI-ARMOUR CAPABILITY, WHILE MORE FIREPOWER HAS ALSO BEEN ADDED TO THE RECONNAISSANCE AND COVERING FORCES.
- (C) THE DEFENSIVE CAPABILITY OF THE LAND FORCES WILL BE INCREASED BY NEW AND IMPROVED ARTILLERY WEAPONS COMING INTO SERVICE ALTHOUGH ALIPPAGES IN THE PROVISION OF ROCKET ASSISTED AMMUNITION WILL DETRACT, INITIALLY, FROM THE BENEFITS TO BE DERIVED FROM THE INTRODUCTION OF THESE WEAPONS. IMPROVEMENTS IN COMMUNICATIONS, ELECTRONIC WAREFARE AND NBC EQUIPMENT WILL DO MUCH TO IMPROVE THE SURVIVABILITY AND EFFECTIVENESS OF THE GROUND FORCES.
- (D) THERE HAS BEEN A WELCOME IMPROVEMENT IN MANNING LEVELS AND WITH THE EXCEPTION OF SOME STRATEGIC RESERVE FORMATIONS UNITED STATES UNTIS ARE NOT WELL UP TO ACE FORCES STANDARDS.
- (E) THE DETERRENT EFFECT OF THE SUBSTANTIAL INCREASE IN FORCES RETAINED UNDER NATIONAL COMMNAD BUT REPORTED AS POTENTIAL REINSECRET

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FORCEMENTS FOR ACE WOULD BE GREATLY MAGNIFIED AND THEIR POTENTIAL IMPACT ON THE DEFENCE INCREASED IF ALL OR PART OF THESE FORCES COULD BE FORMALLY COMMITTED TO SACEUR. SIMILARLY IT IS DISAPPOINTING THAT THE TIMELY AND ORDERED PREPARATIONS FOR HOSTILITIES WHICH SACEUR NEEDS TO MAKE IN TIMES OF POLITICAL AND MILITARY TENSION ARE STILL HAMPERED BY THE UNWILLINGNESS OF THE UNITED STATES AUTHORITIES TO PASS OPERATIONAL CONTROL OF UNITED STATES FORCES AT SIMPLE ALERT, IN ACCORDANCE WITH THE NATO ALERT SYSTEM.

# MARITIME FORCES

(F) THE UNITED STATES NAVY COMMITMENT TO ACE PROVIDES A MAJOR SETERRENT AND DECENSIVE CAPABILITY. THIS IS PARTICULARLY SIGNIFICANT IN THE SOUTHERN REGION WHERE MAJOR STRIKING POWER IS CONTINUOUSLY DEPLOYED. THE INCREASED NUMBER OF NEW MODERNIZED UNITS AND IMPROVEMENTS IN EXISTING UNITS WILL FURTHER ENHANCE

### THE MARITIME CONTRIBUTION OF THE UNITED STATES.

(G) THE REDUCED AVAILABILITY, HOWEVER, OF CARRIER TYPES DURING FY 76
AND LATER YEARS WILL CAUSE PERIODIC REDUCTIONS IN THE NAVAL PREPAREDNESS IN THE SOUTHERN REGION. REDUCTIONS IN SURFACE
ASW CAPABILITIES BOTH IN THE ATLANTIC AND WATERS OF ACE ARE NOTED,
STEMMING FROM THE CURRENTLY LIMITED NUMBERS OF DUAL CAPABLE CARRIERS
(CV) AND ESCORTS. ADDITIONALLY, THE REPLACEMENT OF CRUISERS WITH
GUIDED MISSILE DESTROYER LEADERS (DLG'S) WILL RESULT IN REDUCED
COMMAND AND CONTROL FACILITIES AND MAJOR CALIBRE NAVAL GUNFIRE
SUPPORT CAPABILITY.

### AIR FORCE

(H) THE UNITED STATES CONTINUES TO MAKE A VERY SUBSTANTIAL CONTRIBUTION TO THE AIR CAPABILITIES OF NATO PARTICULARLY THORUGH ITS UNITS STATIONED IN AND THOSE UNITS WHICH CAN BE QUICKLY DEPLOYED TO EUROPE. THE EARMARKING OF EIGHT ADDITIONAL SQUADRONS TO SACEUR'S STRATEGIC RESERVE IN CATEGORY A-3 WILL MARKEDLY INCREASE THESE CAPABILITIES, AND THE FLEXIBILITY OF TACTICAL AIR OPERATIONS IN ACE WHEN APPROPRIATE PREPARATORY ACTIONS, E.G. BED DOWN, ARE COMPLETE.

(I) AS A RESULT OF LESSONS LEARNED IN THE RECENT MID-EAST CRISIS, RENEWED EMPHASIS HAS BEEN PLACED ON MANY ASPECTS OF ELECTRONIC WARFARE. AS SOON AS TECHNOLOGICAL DEVELOPMENTS PERMIT, NEW EQUIPMENT WILL BE PROCURED AND AVAILABLE TO PROVIDE SUBSTANTIAL SECRET

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QUALITATIVE IMPROVEMENTS IN EUROPE. CLOSELY ASSICIATED WITH THESE IMPROVEMENTS IS THE INTRODUCTION OF THE A-10 AND F-15 AIRCRAFT IN THE INVENTORY IN NATO. THESE NODERNISATION EFFORTS WILL PROVIDE A SIGNIFICANT IMPROVEMENT IN THE AIR FORCE FOR SQUADRONS STATIONED IN EUROPE AND THOSE EARMARKED FOR AUGMENTATION. ADDITIONALLY, DEVELOP-

MENT AND PROCUREMENT OF NEW IMPROVED MUNITIONS IS UNDERWAY TO SUPPORT THESE NEW AIRCRAFT AS WELL AS UPDATING CURRENT STOCKS.

(J) TO ENHANCE THE SURVIVABILITY OF THE AIR SQUADRONS IN EUROPE, THE UNITED STATES IS PURSUING AN AIRCRAFT SHELTER PROGRAMME TO PROVIDE PHYSICAL PROTECTION FOR 100 PCT OF THEIR IN PLACE/DUAL BASED TACTICAL FIGHERES. SIGNIFICANT PROGRESS HAS ALSO BEEN ACHIEVED IN THE COLLOCATED OPERATING BASE ARRANGEMENTS WHICH WILL AID THE AIRCRAFT SURVIVABILITY BY ADEQUATE DISPERSAL OF FORCES. THESE ACTIONS, WHEN FINALISED BY TECHNICAL ARRANGEMENTS FOR SPECIFIC BASES WILL PROVIDE A SUBSTANTIAL INCREASE IN AIR CAPABILITIES FOR NATO.

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SECDEF WASHDC PRIORITY
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(K) SACLANT'S COMMENTS NOT AVAILABLE.

### 1. CHANGE PARA 89 TO READ:

(A) ON THE BASIS OF THE PRESENT BUDGETARY REPORTING SYSTEM THE UNITED STATES HAS BEEN ABLE TO SUPPLY FINANCIAL DATA ONLY FOR THE FY 1971/72 THROUGH 1974/75. THESE DATA ARE ACTUAL FOR FISCAL YEAR (FY) 1972/73, ESTIMATES FOR FY 1973/74, AND FORECASTS FOR FY 1974/75. IN MONETARY TERMS, THE DEFENCE EXPENDITURES (NATO DEFINITION) REPRESENT A DECREASE OF 2.5 PCT FOR FY 1972/73, AND INCREASE OF 6.3 PCT FOR FY 1973/74 AND AN INCREASE OF 9.2 PCT FOR FY 1974/75, OVER THE PREVIOUS YEAR. IN CONSTANT PROCES, APPLYING THE PRICE DEFLATION OF GNP. THIS REPRESENTS A DECLINE OF ABOUT 6 PCT IN FY 1972/73 AND FOR FISCAL YEARS 1973/74 AND 1974/75 THERE APPEARS TO BE A SLIGHT FURTHER REAL DECLINE IN DEFENCE EXPENDITURES (SEE FOOTNOTES TO TABLE BELOW). FURTHERMORE, FOR FY 1974/75 APPROPRIATIONS ARE AT PRESENT BELOW THE PLANNED LEVEL AND UNLESS SUPPLEMENTARY APPROPRIATIONS ARE MADE ACTUAL EXPENDITURES IN 1974/75 WILL BE LOWER THAN INDICATED.

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(B) FOR THE PERIOD BEYOND 1974/75 THE UNITED STATES
AUTHORITIES ARE SETTING UP A NEW CONGRESSIONAL BUDGET PROCESS.
THIS WILL REQUIRE A CHANGE OVER TO A FISCAL YEAR FROM 1ST
OCTOBER TO 30TH SEPTEMBER (INSTEAD 1ST JULY TO 30TH JUNE).
EARLY NEXT YEAR BUDGET PROPOSALS WILL BE PREPARED FOR THE
PERIOD FROM 1ST JULY, 1975 TO 20TH JUNE 1976 AND FOR A
TRANSITION PERIOD FROM 1ST JULY, 1976 TO 30TH SEPTEMBER, 1976.
THE NEW PROCESS WILL ALSO PERMIT PROJECTIONS TO BE MADE OF
PLANNED EXPENDITURES FOR A FIVE-YEAR PERIOD IN BOTH CURRENT
AND CONSTANT PRICES WHICH WILL BE OF PARTICULAR VALUE FOR

PLANNING PURPOSES. PENDING THE IMPLEMENTATION OF THE NEW BUDGETARY PROCESS NO FIRM ESTIMATE OF FURTHER DEFENCE EXPENDITURES CAN BE PROVIDED. HOWEVER, THE UNITED STATES AUTHORITIES HAVE INDICATED THAT IN ORDER TO MAINTAIN A LEVEL OF EXPENDITURE COMMENSURATE WITH THE UNITED STATES SECURITY RESPONSIBILITY IT WILL BE NECESSARY TO DEVOTE TO DEFENCE NOT MUCH LESS THAN 6 PCT OF GNP AT MARKET PRICES, I.E. SOME 6.5 PCT OF GNP AT FACTOR COST.

M. ADD PARA 96 (RELATIVE SHARE OF RESOURCES TO DEFENSE)

SINCE 1968, WITH THE PHASING OUT OF OPERATIONS IN VIETNAM, A MAJOR RE-ALLOCATION OF NATIONAL OUTPUT HAS TAKEN PLACE, THE DEFENCE SHARE OF GNP FALLING FROM 10.2 PCT TO 6.6 PCT BY 1973. IN 1974 ON THE BASIS OF CURRENT ESTIMATES THE SHARE OF GNP IS LIKELY TO REMAIN AT ABOUT 6.6 PCT BOTH DEFENCE EXPENDITURES AND GNP RECORDING A SLIGHT DECLINE IN REAL TERMS. PER CAPITA GNP, WHICH UP TO 1973 HAD RISEN SUBSTANTIALLY, AMOUNTED TO \$6,000 AND DEFENCE EXPENDITURES PER CAPITA, DESPITE A SHARP FALL OVER THE YEARS, AMOUNTED TO SOME \$400, BY FAR THE HIGHEST IN THE ALLIANCE. OTHER RELIVANT MEASURES OF THE DEFENCE EFFORT OF THE UNITED STATES ARE SHOWN IN THE FOLLOWING TABLE.

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# Message Attributes

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